

Message Text

LIMITED OFFICIAL USE

PAGE 01 KUALA 02194 081112Z
ACTION EA-09

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01
PRS-01 /099 W
-----090242Z 120984 /73

R 080740Z APR 77
FM AMEMBASSY KUALA LUMPUR
TO SECSTATE WASHDC 6797

LIMITED OFFICIAL USE KUALA LUMPUR 2194

E.O. 11652: N/A
TAGS: EGEN, MY
SUBJECT: GOM ORDERS LPG PRICE ROLLBACK

REF: STATE 73837

1. BACKGROUND ON LPG PRICE ROLLBACK AS FOLLOWS. LPG NOT SCHEDULED ITEM UNDER PRICE CONTROL ACT AND THEREFORE PRICE NOT CONTROLLED BY GOM. PETROLEUM COMPANIES (SHELL, MOBIL, BP, ESSO) INCREASED PRICE IN MAY 1974 TO REFLECT INCREASED PRICE OF CRUDE OIL.

2. NO FURTHER PRICE INCREASE UNTIL LATE FEBRUARY, 1977 WHEN COMPANIES INCREASED PRICE M\$.04 PER POUND (10.2 PERCENT INCREASE) TO REFLECT PART OF INCREASED COSTS OF CRUDE OIL AND HANDLING. COMPANIES DID NOT INFORM GOM SINCE THIS NOT REQUIRED.

3. ON FEBRUARY 28, SENIOR OFFICIAL MINISTRY TRADE AND INDUSTRY (MTI) MET WITH COMPANIES AND REQUESTED JUSTIFICATION BY COMPANIES FOR PRICE INCREASE. COMPANIES PROVIDED, NOTHING THAT ACTUAL COST INCREASE OF UP TO M\$.06 PER POUND
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KUALA 02194 081112Z

(DEPENDING ON INDIVIDUAL COMPANY'S SOURCE OF CRUDE). IT UNDERSTOOD IN MEETING THAT IF MTI FOUND INCREASE UNJUSTIFIED, IT WOULD HAVE TO BE MODIFIED OR WITHDRAWN.

4. ON MARCH 18, MTI OFFICIAL AGAIN MET WITH COMPANIES AND, ACCORDING INDUSTRY SOURCE, INFORMED THEM THAT CABINET HAD DECIDED PRICE MUST BE ROLLED BACK (AN INDUSTRY SOURCE

REPORTS THAT MINISTER HAMZAH OF MTI ACTUALLY MADE DECISION).
IN THIS MEETING, MTI OFFICIAL REPORTEDLY AGREED TO
PRESENT JUSTIFICATION TO CABINET AND EXPLAIN SITUATION
TO MINISTER HAMZAH. MTI OFFICIAL MET WITH MINISTER SAME
DAY, WITH MINISTER REPORTEDLY AGREEING THAT NO ROLLBACK
REQUIRED.

5. HOWEVER, ACCORDING INDUSTRY SOURCE, MINISTER HAMZAH
ON MARCH 25 ENCOUNTERED POLITICAL PRESSURE IN PARLIAMENT AND
ISSUED LETTER SAME DAY ACKNOWLEDGEING RECEIPT OF INFORMATION
FROM COMPANIES, NOTHING THAT MATTER UNDER STUDY, RELATING
LPG QUESTION TO RATIONALIZATION OF RETAIL PRICES OF GAS,
DIESEL AND KEROSENE ALREADY UNDER STUDY BY CABINET, AND
DIRECTING ROLLBACK PENDING GOVERNMENT'S DECISION.

6. COMMENT: RATIONALIZATION OF RETAIL PRICES ON GAS, DIESEL
AND KEROSENE TO REFLECT ECONOMIC COSTS IS DESIRABLE
OBJECTIVE. SAME TRUE OF LPG WHICH HAS BECOME PART OF
LARGER QUESTION. MTI OFFICIAL INFORMED US THAT MATTER IS
INDEED BEFORE CABINET AND THAT DECISION EXPECTED WITHIN
FORTNIGHT. ACCORDING OFFICIAL, ANY PRICE INCREASE
ON LPG UNLIKELY TO BE RETROACTIVE BECAUSE OF
ADMINISTRATIVE BURDEN OF COLLECTING FROM CONSUMERS.
UNDERHILL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, PRICE CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 08-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KUALA02194
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770124-0058
Format: TEL
From: KUALA LUMPUR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770474/aaaacmtl.tel
Line Count: 86
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 110549a8-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 73837
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2859278
Secure: OPEN
Status: NATIVE
Subject: GOM ORDERS LPG PRICE ROLLBACK
TAGS: EGEN, ENRG, MY
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/110549a8-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009